



Laura Bateman
Carolinas Rates & Regulatory Strategy
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May 31st, 2017

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, SC 29211

COPY
Posted: lod
Dept: SA
Date: 6/5/17
Time: 10:42

Dear Mrs. Boyd:

Enclosed per Docket No. 2006-268-E is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending March 31st, 2017. Debt coverage ratio of earnings to Fixed Charges was 5.00 for this time period.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

Laura Bateman
Carolinas Rates & Regulatory Strategy
Duke Energy

Enclosures:

pc: Ms. Dawn Hipp, Director Utilities, Safety & Transportation
Office of Regulatory Staff
Mr. Willie Morgan, Deputy Director Utilities Rates
Office of Regulatory Staff
Mr. Dukes Scott, Executive Director
Electric & Gas Regulation
Office of Regulatory Staff

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JUN 02 2017

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SC PUBLIC SERVICE
COMMISSION

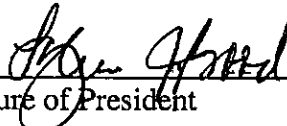
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CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

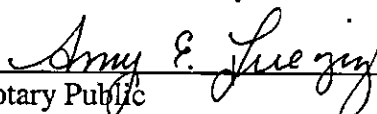

Signature of President

Lynn J. Good
Typed or Printed Name of Person Signing

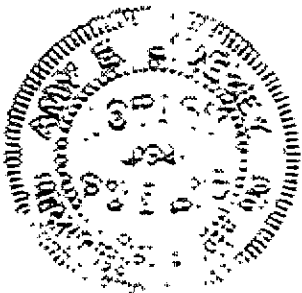
President, CEO & Chair of BOD
Title

5/30/17
Date Signed

Subscribed and sworn to before me this 30th day of May, 2017.


Notary Public

My Commission Expires: 11/16/17



CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Steven K. Young, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

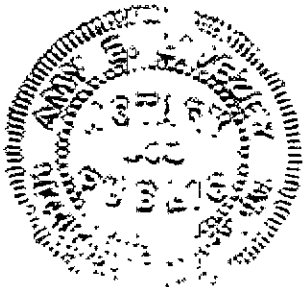
Steven K. Young
Signature of Person Making Verification

Steven K. Young
Typed or Printed Name of Person Signing

Executive Vice President & CFO
Title

5/30/2017
Date Signed

Subscribed and sworn to before me this 30th day of May, 2017.



Amy C. Lueg
Notary Public

My Commission Expires: 11/16/17

Duke Energy Carolinas, LLC
Electric Operating Experience - Total Company & SC Retail
 12 Months Ended March 31, 2017

Line No.	Description	Total Company			SC Retail		
		Regulatory Per Books	Pro-Forma Adjustments	As Adjusted	Regulatory Per Books	Pro-Forma Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	<u>Operating Revenues</u>	\$ 7,319,897	\$ (316,974)	\$ 7,002,923	\$ 1,759,885	\$ (86,823)	\$ 1,673,062
2	<u>Operating Expenses</u>						
3	O&M Expenses - Fuel	1,466,536	-	1,466,536	363,454	(740)	362,714
4	O&M Expenses - Purchased Power and Net Interchange	337,534	-	337,534	83,456	-	83,456
5	O&M Expenses - Wages, Benefits, Materials, etc.	1,996,668	(166,376)	1,830,292	470,680	(45,628)	425,052
6	Depreciation & Amortization Expenses	1,120,289	73,345	1,193,634	249,540	17,804	267,344
7	Taxes Other Than Income	272,722	1,655	274,377	82,648	20	82,668
8	Income Taxes	634,553	(98,498)	536,055	158,225	(25,458)	132,766.86
9	Investment Tax Credit	(5,272)	-	(5,272)	(1,219)	3	(1,216)
10	Total Operating Expenses	5,823,030	(189,873)	5,633,157	1,406,784	(53,999)	1,352,785
11	Operating Return	1,496,867	(127,100)	1,369,766	353,101	(32,824)	320,277
12	Customer Growth	-	6,322	6,322	-	6,322	6,322
13	Interest on Customer Deposits (Before Taxes)	8,561	-	8,561	1,017	-	1,017
14	<u>Total Income for Return</u>	\$ 1,488,306	\$ (120,778)	\$ 1,367,527	\$ 352,084	\$ (26,502)	\$ 325,582
15	<u>Rate Base</u>						
16	Plant in Service	\$ 36,671,229	\$ 727,017	\$ 37,398,246	\$ 8,351,438	\$ 139,415	\$ 8,490,853
17	Reserve for Depreciation	(14,907,123)	(73,345)	(14,980,469)	(3,395,552)	(7,816)	(3,403,368)
18	Net Plant	21,764,105	653,671	22,417,777	4,955,887	131,599	5,087,485
19	Construction Work in Progress	75,963	1,788,522	1,864,485	17,519	405,200	422,719
20	Other Rate Base	(424,473)	-	(424,473)	(98,064)	-	(98,064)
21	Total Working Capital	2,022,892	(20,797)	2,002,095	508,143	(5,704)	502,440
22	Materials & Supplies	1,645,485	(1,614)	1,643,871	388,354	(401)	388,954
23	Accumulated Deferred Income Taxes	(6,791,491)	(44,493)	(6,835,985)	(1,564,068)	(7,496)	(1,571,564)
24	Total Rate Base	\$ 18,292,481	\$ 2,375,289	\$ 20,667,770	\$ 4,205,771	\$ 523,199	\$ 4,728,970
25	<u>Rate of Return</u>	8.14%		6.62%	8.37%		6.88%
26	<u>Return on Equity</u>	10.99%		8.19%	11.42%		8.69%

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
Total Company
12 Months Ended March 31, 2017

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.371902 37.19%	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 46,942	\$ -	\$ -	\$ (17,458)	\$ -
2	To Annualize Wage Rate Increase	-	-	8,159	-	491	-	(3,217)	-
3	To Update for Increased Benefits Costs	-	-	(1,718)	-	-	-	639	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	(2,533)	-	942	-
5	To Reflect CWIP Closings to Plant	-	-	-	26,403	3,703	-	(11,196)	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(14,598)	-
7	To eliminate unbilled revenues	(5,594)	-	-	-	(6)	-	(2,078)	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	(1,066)	-	-	-	396	-
13	To remove DSMEE program revenues and program costs	(311,380)	-	(171,751)	-	-	-	(51,928)	-
TOTAL - ALL PRO FORMAS		<u>\$ (316,974)</u>	<u>\$ -</u>	<u>\$ (168,376)</u>	<u>\$ 73,345</u>	<u>\$ 1,855</u>	<u>\$ -</u>	<u>\$ (98,498)</u>	<u>\$ -</u>
		0	0	0	0	0	0	0	0

Adj. #	Description	Plant in Service	Accum. Disrec.	CWIP	ADIT	Other Rate Base	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ (46,942)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	727,017	(26,403)	-	(44,493)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	(1,614)
9	Adjust the amount of CWIP in rate base	-	-	1,788,522	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	(20,797)	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	-	-	-	-	-
13	To remove DSMEE program revenues and program costs	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		<u>\$ 727,017</u>	<u>\$ (73,345)</u>	<u>\$ 1,788,522</u>	<u>\$ (44,493)</u>	<u>\$ -</u>	<u>\$ (20,797)</u>	<u>\$ (1,614)</u>
		0	0	0	0	0	(0)	(0)

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
SC Retail
12 Months Ended March 31, 2017

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.3825 38.25%	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 12,472	\$ -	\$ -	\$ (4,770)	\$ -
2	To Annualize Wage Rate Increase	-	-	1,948	-	117	-	(790)	-
3	To Update for Increased Benefits Costs	-	-	(410)	-	-	-	157	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	(693)	-	265	-
5	To Reflect CWIP Closings to Plant	-	-	-	8,096	845	-	(2,655)	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(3,167)	-
7	To eliminate unbilled revenues	(2,019)	-	-	-	(6)	-	(770)	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	-	(740)	(1,122)	(764)	(243)	-	1,097	3
12	To Normalize Nuclear Refueling Outage Costs	-	-	(271)	-	-	-	104	-
13	To remove DSM/EE program revenues and program costs	(84,804)	-	(45,773)	-	-	-	(14,929)	-
TOTAL - ALL PRO FORMAS		<u>\$ (88,823)</u>	<u>\$ (740)</u>	<u>\$ (45,828)</u>	<u>\$ 17,804</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ (25,458)</u>	<u>\$ 3</u>

Adj. #	Description	Plant In Service	Accum. Deprec.	CWIP	ADIT	Deferred Debits/Credits	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ (12,472)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	165,801	(8,096)	-	(10,147)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	(401)
9	Adjust the amount of CWIP in rate base	-	-	405,200	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	(5,704)	-
11	To Exclude Greenwood Operations	(26,386)	10,752	-	2,651	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	-	-	-	-	-
13	To remove DSM/EE program revenues and program costs	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		<u>\$ 139,415</u>	<u>\$ (7,816)</u>	<u>\$ 405,200</u>	<u>\$ (7,496)</u>	<u>\$ -</u>	<u>\$ (5,704)</u>	<u>\$ (401)</u>

Duke Energy Carolinas, LLC
Statement of Fixed Assets - Electric
12 Months Ended March 31, 2017

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)
		\$	\$	\$	\$	\$	\$
<u>Gross Plant in Service</u>							
1	Intangible Plant	\$ 819,704	\$ 21,521	\$ 841,225	\$ 186,734	\$ 4,850	\$ 191,584
2	Production	20,389,345	306,547	20,695,891	4,644,829	70,663	4,715,492
3	Transmission	3,622,102	123,794	3,745,896	822,771	22,855	845,626
4	Distribution	10,905,208	153,274	11,058,483	2,484,279	38,718	2,522,997
5	General	922,121	121,881	1,044,002	210,065	28,716	238,781
6	Common	-	-	-	-	-	-
	Subtotal	36,658,481	727,017	37,385,497	8,348,679	165,801	8,514,479
7	Plant Held for Future Use	12,748	-	12,748	2,760	-	2,760
8	Greenwood	-	-	-	-	(26,386)	(26,386)
9	Total Gross Plant in Service	\$ 36,671,229	\$ 727,017	\$ 37,398,246	\$ 8,351,438	\$ 139,415	\$ 8,490,853
<u>Construction Work in Progress</u>							
10	Production	\$ 54,187	\$ 1,410,071	\$ 1,464,259	\$ 12,896	\$ 325,040	\$ 337,936
11	Transmission	10,546	202,115	212,662	1,911	37,315	39,226
12	Distribution	3,502	94,061	97,564	883	23,760	24,643
13	General	7,723	53,138	60,861	1,829	12,520	14,348
14	Intangible	4	29,136	29,140	1	6,565	6,566
15	Total Construction Work in Progress	\$ 75,963	\$ 1,788,522	\$ 1,864,485	\$ 17,519	\$ 405,200	\$ 422,719

Duke Energy Carolinas, LLC
Reserve for Depreciation - Electric
12 Months Ended March 31, 2017

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Per Books (Col. 2) \$	Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Per Books (Col. 5) \$	Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
1	Intangible Plant	\$ (515,052)	\$ (616)	\$ (515,668)	\$ (117,332)	\$ (139)	\$ (117,471)
2	Production	(8,006,307)	(19,294)	(8,025,601)	(1,823,890)	(4,448)	(1,828,338)
3	Transmission	(1,404,009)	(4,890)	(1,408,899)	(319,452)	(903)	(320,355)
4	Distribution	(4,607,912)	(12,413)	(4,620,325)	(1,049,713)	(4,566)	(1,054,279)
5	General	(373,843)	(36,132)	(409,975)	(85,164)	(8,513)	(93,677)
6	Common						
7	Greenwood					10,752	10,752
8	Total Reserve for Depreciation	\$ (14,907,123)	\$ (73,345)	\$ (14,980,469)	\$ (3,395,552)	\$ (7,816)	\$ (3,403,368)

Duke Energy Carolinas, LLC
 Other Rate Base - Electric
 12 Months Ended March 31, 2017

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)
	\$	\$	\$	\$	\$	\$	\$
1	Operating Reserves	\$ (424,473)	\$ -	\$ (424,473)	\$ (98,064)	\$ -	\$ (98,064)
2							
3							
4							
5							
6							
7							
8	Total Other Rate Base	<u>\$ (424,473)</u>	<u>\$ -</u>	<u>\$ (424,473)</u>	<u>\$ (98,064)</u>	<u>\$ -</u>	<u>\$ (98,064)</u>

Duke Energy Carolinas, LLC
Total Working Capital - Electric
 12 Months Ended March 31, 2017

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Twelve Month O&M Expenses	\$ 3,153,574	\$ (166,376)	\$ 2,987,198	\$ 757,303	\$ (45,628)	\$ 711,675
2	Working Cash (1/8 of O&M Expenses on Line 1)	\$ 394,197	\$ (20,797)	\$ 373,400	\$ 94,663	\$ (5,704)	\$ 88,959
3	Average Tax Accruals	(96,732)	-	(96,732)	(22,308)	-	(22,308)
4	Subtotal: Investor Funds for Operations	297,464	(20,797)	276,667	72,355	(5,704)	66,651
5	Unamortized Debt	116,849	-	116,849	25,894	-	25,894
6	Required Bank Balance	300	-	300	68	-	68
7	Prepayments	31,599	-	31,599	7,199	-	7,199
8	Customer Deposits	(133,210)	-	(133,210)	(29,616)	-	(29,616)
9	Other	1,709,889	-	1,709,889	432,243	-	432,243
	Other Detail						
	Pension Funding	432,272		432,272	101,696		101,696
	SG&DEP Deferred Depreciation and Reg Liability-book depreciation	(3,097)		(3,097)	(6,899)		(6,899)
	COR Reversal	102,794		102,794	44,798		44,798
	WC - Other - Injuries and Damages	555,293		555,293	130,638		130,638
	Reg Asset- FAS 109/Tax-related	532,125		532,125	199,994		199,994
	SC Storm Reserve	(22,762)		(22,762)	(22,762)		(22,762)
	Other Misc	113,265		113,265	(15,220)		(15,220)
10	Total Working Capital	\$ 2,022,892	\$ (20,797)	\$ 2,002,095	\$ 508,143	\$ (5,704)	\$ 502,440

Duke Energy Carolinas, LLC
Materials & Supplies - Electric
 12 Months Ended March 31, 2017

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)
	\$	\$	\$	\$	\$	\$	\$
Fuel Stock							
1	Fossil	286,505	(1,614)	284,891	71,094	(401)	70,693
2	Nuclear	567,725		567,725	140,875		140,875
3	Total Fuel Stock	854,230	(1,614)	852,616	211,969	(401)	211,568
4	Emission Allowances	27,174	-	27,174	5,989	-	5,989
5	Other Electric Materials and Supplies	764,081	-	764,081	168,396	-	168,396
6	Total Materials & Supplies	\$ 1,645,485	\$ (1,614)	\$ 1,643,871	\$ 386,354	\$ (401)	\$ 385,954

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

	Total Company	SC Retail
Coal Inventory Target Level (in tons)	2,525	
Price per Ton - Coal	\$97.50	
Total Company Pro Forma Inventory	<u>\$ 246,203</u>	<u>\$ 61,093</u>
Per Book Coal Inventory	\$247,817.38	\$61,493.50
Coal Adjustment	<u>\$ (1,614)</u>	<u>\$ (401)</u>

Duke Energy Carolinas, LLC
Cost of Capital - Electric Operations
12 Months Ended March 31, 2017

Line No.	Description	Total Company									
		Per Book					As Adjusted				
		Amount (Col. 1)	Ratio (Col. 2)	Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Rate Base (Col. 9)	Operating Income (Col. 12)
1	Long Term Debt	\$ 9,128,750	45.66%	\$ 8,351,482	4.74%	2.16%	\$ 395,860	\$ 9,128,750	45.66%	\$ 9,435,927	\$ 447,263
2	Preferred Stock										
3	Common Equity	10,866,202	54.34%	9,940,992	10.99%	5.97%	1,092,446	10,866,202	54.34%	11,231,843	550,264
4	Total	\$ 19,994,952	100.00%	\$ 18,292,474			\$ 1,488,306	\$ 19,994,952	100.00%	\$ 20,667,770	\$ 1,397,527

Line No.	Description	South Carolina									
		Per Book					As Adjusted				
		Amount (Col. 1)	Ratio (Col. 2)	Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Rate Base (Col. 9)	Operating Income (Col. 12)
5	Long Term Debt	\$ 9,128,750	45.66%	\$ 1,920,156	4.74%	2.16%	\$ 91,015	\$ 9,128,750	45.66%	\$ 2,153,024	\$ 102,338
6	Preferred Stock										
7	Common Equity	10,866,202	54.34%	2,286,815	11.42%	6.21%	261,060	10,866,202	54.34%	2,568,946	223,244
8	Total	\$ 19,994,952	100.00%	\$ 4,206,971			\$ 352,075	\$ 19,994,952	100.00%	\$ 4,721,970	\$ 325,582

Notes: (a) Long term debt includes Mortgage and Pollution Control Bonds, Senior Debt, Capital Leases and Unamortized Debt expense, discounts and premiums. Current long term debt maturities are excluded.

(b) Includes net of tax Progress merger costs to achieve of approximately \$6 million.

(c) Includes net of tax Piedmont merger costs to achieve of approximately \$20 thousand.